

ASSEMBLY BILL

No. 214

Introduced by Assembly Member Richman

February 3, 2005

An act to add Section 20037.1 to the Government Code, relating to retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 214, as introduced, Richman. Public employees' retirement: final compensation.

The Public Employees' Retirement Law generally defines "final compensation," for state members, for purposes of calculating retirement benefits, as the highest annual average compensation earnable by the member during a designated 12-month period. The Public Employees' Retirement Law also defines "final compensation" in other ways for specified member classifications.

This bill would define "final compensation" for any member of the Public Employees' Retirement System who retires or dies on and after January 1, 2006, as the average compensation earnable by the member during the final 3 years of employment immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 20037.1 is added to the Government
- 2 Code, to read:

1 20037.1. Notwithstanding any other provision of this article,
2 “final compensation,” for the purpose of determining any pension
3 or benefit with respect to a member, as defined in Section 20370,
4 who retires or dies on or after January 1, 2006, means the
5 average compensation earnable by a member during the final
6 three years of employment immediately preceding the effective
7 date of his or her retirement or the date of his or her last
8 separation from state service if earlier.

O